

3.5 Deputy T.M. Pitman of the Minister for Treasury and Resources regarding the cost of the interim Treasurer of the States:

Will the Minister advise how he considers that the outlay of £950 per day, the cost of 4-star hotel accommodation and £90 per day subsistence allowance to the Interim Treasurer of the States is justifiable at a time when many Islanders are struggling to make ends meet and detail when these costs were first met and the total cost to date of his accommodation and subsistence claims?

Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

I should start by clearing up something, that the £95 in fact per day includes the cost of accommodation and subsistence. It is not just for subsistence, and it is for 4 days a week. The £950 agency fee includes all the pension and social security, national insurance costs as well. So I fully understand the legitimate questions that Members may have on all costs associated with employing staff. This Assembly agreed last year in the Business Plan that the Treasury should be strengthened and the individual concerned was recruited to be the Interim Director of Finance for the States of Jersey to improve financial management across the States and over a very short period of time. Because of the absence of the Treasurer himself, due to illness, the individual will also be appointed as Interim Treasurer. In other words, performing both of the roles. £950 is not in fact his earnings, but, as I say, the agency fees. The fees paid are to secure the services of a highly qualified and professional individual experienced in being a short term finance director. I think the interests of all Islanders are served best by having a strong and performing Treasury which is increasing the oversight of spending. If we are to achieve the objectives of both the comprehensive spending review and the fiscal strategy reviews this will ensure that taxes are kept low, quality of services remain high and the people that Deputy Pitman raises the point about are safeguarded for the longer term.

3.5.1 Deputy T.M. Pitman:

Given that in recent times we have also appointed a Deputy C.E.O. (Chief Executive Officer) at around £140,000 a year, I think, and additional staff at Treasury, as the Minister has referred to, to help us save money, on behalf of taxpayers, could I ask how much money does the Minister believe we will have to spend before we save some?

Senator P.F.C. Ozouf:

This is an easy issue to score political points over in terms of bringing in people. I regret the *J.E.P. (Jersey Evening Post)* comments which are casting almost this view that you should not be bringing in people in order to manage the organisation. The States of Jersey is an organisation which spends in excess of £800 million a year and needs strength in financial management. If we are going to achieve saving cuts of £50 million then we are going to need good people and good information in order to deliver them.

3.5.2 Deputy P.J. Rondel of St. John:

I accept that we need good management and good people coming in to assist but will the Minister explain if it is common practice for people coming over on temporary secondment in this way to have to attend functions, like we have had recently with the Royal visit, with their spouse coming over specifically from the U.K. (United Kingdom) to attend that function, is that common practice? If so, are the people of

Jersey having to pick up the bill to have that person who is temporary in the Island attending these functions?

Senator P.F.C. Ozouf:

I am not going to deal with personnel issues on a micro-level. I think if we continue down this path of almost suggesting that it is inappropriate for somebody of that seniority discharging the functions of Treasurer of the States who should not attend what is normal functions for such a high-ranking official in the States of Jersey to attend. I think that it is a sorry state of affairs. The individual has been appointed in order to do a job. In fact, is doing 2 jobs. I know because I work with the individual and I know just how many hours that individual is working. It is not quantity, it is also quality. I am afraid that the States financial arrangements did need to be strengthened. We need to save money and we need the appropriate people to do it, and that individual is doing so and doing so extremely well. He actually needs our support as Members in terms of controlling public spending not... and I know the Deputy has not been critical - but he needs our support.

3.5.3 The Deputy of St. John:

Given the Minister's comments in his opening response to the previous question, does he think that temporary employees, as this person is, should have exactly the same rights as sitting employees who are here for 12 months year on year.

Senator P.F.C. Ozouf:

The Interim Treasurer of the States is without question probably in the top 2, top 3 positions in the States of Jersey, and the Deputy refers to an official function where it is not my decision, it is the decision of others that invite those individuals to share in those official functions. I think there were 2 official functions he has attended that I am aware of, and I think it is quite right that he does for the period of time that he has been appointed as Acting Treasurer of the States.

3.5.4 Deputy R.G. Le Hérissier of St. Saviour:

Would the Minister not say, despite his bullish reply, that we were told time after time that the previous Treasury was in very good hands, we have been told that about the police service, we have been told that about a range of services? Secondly, would he not agree that the Interim Hospital Director, according to figures provided today has been paid £1,026 a day? Is he more valuable than the Treasurer?

Senator P.F.C. Ozouf:

First of all, as difficult as it is to say, many people who I have asked from the private sector, and indeed from contacts I have in the public sector, indicate that to get an individual of this particular experience and this ability is good value. I would have suggested that the private sector is employing people at much higher per day rates for the period of time. I will be making a statement about the Treasury later on, with your leave. I want to be clear, the Treasurer and the Treasury performed well for all of the period of time, prior to Ministerial government, and for the period after. But clearly things have changed. This Assembly has made a situation that we need to save money. Income has gone down, spending has gone up. We need to strengthen financial oversight and strengthen financial management. That is not critical that everything was wrong in the past but things have changed and we need to change, and this Assembly needs to take some difficult decisions and some tough decisions from good information in order to stop taxes going up.

3.5.5 Deputy D.W. Mezbourian of St. Lawrence:

Is the role of the Interim Treasurer any different to that of the former Treasurer and has he made any recommendations for change and improvements within the department?

Senator P.F.C. Ozouf:

That is a very good and astute question. The difficulty I think that I have had is that at the point of Ministerial government the finance function was not brought together in an overall co-ordinated way. That is not the dictatorship which has been suggested by some people in terms of a joined-up finance function, and it was not. I think, with the benefit of hindsight, that was a mistake. Finance should have been brought together more formally, accounting officers need their own finance director, but I think all Members would understand if I said that finance directors do need to report to an overall finance director of the States. So to answer the Constable's question, the Interim Director of Finance was brought in to be an overall finance director for the States of Jersey as a whole. At the same time, or shortly after, unfortunately the Treasurer went off ill and that individual has been discharging both functions. In fact, he has been doing the 2 jobs. How we move forward from now is the subject of something I am going to be saying later on, so I hope that answers the Constable's question.

The Connétable of St. Lawrence:

I did ask if there were any recommendations for change.

Senator P.F.C. Ozouf:

I do apologise. Yes, I have received formally as Minister, not for publication, interim reports by the then Interim Finance Director setting out an improvement plan, setting out a way that we are going to reorganise, centralise, in order to assist the finance function across the States of Jersey. That is working. No consultants brought in with long-winded reports. Actioned straightaway, as I promised the States, in the Business Plan next year. It is uncomfortable but it is working.

3.5.6 Deputy T.M. Pitman:

Unlike most supermarkets, we seem to be getting one for the price of 2. Could the Minister say definitely when this arrangement will finish and is it a fact that the Treasurer, who is off, is never going to come back?

Senator P.F.C. Ozouf:

I am going to defer that question until the statement I make at statement time, unless you wish me to have leave to issue a statement earlier.

Deputy T.M. Pitman:

Can it not be answered?

The Deputy Bailiff:

The statement will be made shortly, Deputy.

3.5.7 Deputy T.M. Pitman:

Perhaps the Minister could say whether the Treasurer as he is, is going to be made scapegoat for the problems with the contract in the incinerator?

Senator P.F.C. Ozouf:

This Assembly is the Island's Parliament of which I think that people should be treated properly and the Treasurer himself has performed extremely well as Treasurer of the States but is subject to a statement that I am going to be making shortly.

The Deputy of St. John:

On a point of clarification, this is question time. The Deputy put his question as it should be put and the Minister is refusing to answer it as it should be answered. As a Back-Bench Member the Member has a right to put his question and the Minister should not be trying to hide behind the statement he is going to make later.

Senator P.F.C. Ozouf:

I apologise but I will have 10 minutes of answering and I will be full and frank in the statement I will make and I think that will become clear when I make the statement.

The Deputy Bailiff:

Might I add that questions are for Members and how questions are answered are for Ministers and Ministers take whatever consequences there are of the way they answer the questions.